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[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-104579-13]

RIN 1545-BM09

Rules Regarding the Health Insurance Premium Tax Credit

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking by cross-reference to temporary regulations.

SUMMARY: In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing final and temporary regulations under section 36B of the Internal Revenue Code (Code) relating to the health insurance premium tax credit. The regulations provide guidance to individuals who enroll in qualified health plans through Affordable Insurance Exchanges (Exchanges) and claim the premium tax credit, and Exchanges that make qualified health plans available to individuals and employers. The text of those temporary regulations also serves as the text of these proposed regulations.

DATES: Comments and requests for a public hearing must be received by **INSERT DATE 90 DAYS AFTER PUBLICATION OF THIS DOCUMENT IN THE FEDERAL REGISTER**.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-104579-13), Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044.

Taxpayers also may submit comments electronically via the Federal eRulemaking Portal at www.regulations.gov (IRS REG-104579-13).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Arvind Ravichandran, (202) 317-4718; concerning submission of comments or to request a hearing, Oluwafunmilayo Taylor, (202) 317-6901(not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background and Explanation of Provisions

Final and temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** amend the Income Tax Regulations (26 CFR Part 1) relating to section 36B and section 162(l) of the Code. The final and temporary regulations provide guidance for individuals who enroll in qualified health plans through Affordable Insurance Exchanges (Exchanges) and claim the premium tax credit, and Exchanges that make qualified health plans available to individuals and employers. The text of those temporary regulations also serves as the text of these proposed regulations. The preamble to the final and temporary regulations explains the amendments.

Proposed Effective Date

These regulations are proposed to apply for taxable years ending after December 31, 2013. See §1.36B-1(o). Taxpayers must apply the final and temporary regulations until publication of final regulations.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant

regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because the regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Code, this regulation has been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any comments that are submitted timely to the IRS as prescribed in this preamble under “Addresses” heading. The IRS and the Treasury Department request comments on all aspects of the proposed rules. All comments will be available at www.regulations.gov or upon request. A public hearing will be scheduled if requested in writing by any person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the **Federal Register**.

Drafting Information

The principal authors of these regulations are Arvind Ravichandran, Shareen Pflanz and Steve Toomey of the Office of Associate Chief Counsel (Income Tax & Accounting). However, other personnel from the IRS and the Treasury Department participated in their development.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

PART 1--INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 2. Section 1.36B-2 is amended by revising paragraphs (b)(2) and (c)(3)(v)(C), and adding paragraph (d) to read as follows:

§1.36B-2 Eligibility for premium tax credit.

* * * * *

(b) * * *

(2) [The text of the proposed amendment to §1.36B-2(b)(2) is the same as the text of §1.36B-2T(b)(2) published elsewhere in this issue of the **Federal Register**].

* * * * *

(c) * * *

(3) * * *

(v) * * *

(C) [The text of the proposed amendment to §1.36B-2(c)(3)(v)(C) is the same as the text of §1.36B-2T(c)(3)(v)(C) published elsewhere in this issue of the **Federal**

Register].

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(d) [The text of the proposed amendment to §1.36B-2(d) is the same as the text of §1.36B-2T(d) published elsewhere in this issue of the **Federal Register**].

Par. 3. Section 1.36B-3 is amended by revising paragraph (g)(1) and adding paragraph (m) to read as follows:

§1.36B-3 Computing the premium assistance credit amount.

* * * * *

(g) * * *

(1) [The text of the proposed amendment to §1.36B-3(g)(1) is the same as the text of §1.36B-3T(g)(1) published elsewhere in this issue of the **Federal Register**].

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(m) [The text of the proposed amendment to §1.36B-3(m) is the same as the text of §1.36B-3T(m) published elsewhere in this issue of the **Federal Register**].

Par. 4. Section 1.36B-4 is amended by:

1. Revising paragraph (a)(1)(ii).
2. Adding paragraph (a)(3)(iii).
3. In paragraph (a)(4), revising Example 4 and adding Examples 10, 11, 12, 13,
and 14.
4. Revising paragraphs (b)(3) and (b)(4).
5. Removing paragraph (b)(5).
6. Redesignating paragraph (b)(6) as paragraph (b)(5), and revising Example 9,

and adding Example 10 to newly redesignated paragraph (b)(5).

7. Adding paragraph (c).

§1.36B-4 Reconciling the premium tax credit with advance credit payments.

(a) * * *

(1) * * *

(ii) [The text of the proposed amendment to §1.36B-4(a)(1)(ii) is the same as the text of §1.36B-4T(a)(1)(ii) published elsewhere in this issue of the **Federal Register**].

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(3) * * *

(iii) [The text of the proposed amendment to §1.36B-4(a)(3)(iii) is the same as the text of §1.36B-4T(a)(3)(iii) published elsewhere in this issue of the **Federal Register**].

(4) [The text of the proposed amendment to §1.36B-4, Example 4, Example 10, Example 11, Example 12, Example 13, and Example 14 of paragraph (a)(4) is the same as the text of §1.36B-4T(a)(4), Example 4, Example 10, Example 11, Example 12, Example 13, and Example 14 published elsewhere in this issue of the **Federal Register**].

* * * * *

(b) * * *

(3) [The text of the proposed amendment to §1.36B-4(b)(3) is the same as the text of §1.36B-4T(b)(3) published elsewhere in this issue of the **Federal Register**].

(4) [The text of the proposed amendment to §1.36B-4(b)(4) is the same as the text of §1.36B-4T(b)(4) published elsewhere in this issue of the **Federal Register**].

(5) Examples. * * *

[The text of the proposed amendment to §1.36B-4, Example 9 and Example 10 of paragraph (b)(5) is the same as the text of §1.36B-4T, Example 9 and Example 10 of paragraph (b)(5) published elsewhere in this issue of the **Federal Register**].

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(c) [The text of the proposed amendment to §1.36B-4(c) is the same as the text of §1.36B-4T(c) published elsewhere in this issue of the **Federal Register**].

Par 5. Section 1.162(l)-1 is added to read as follows:

§1.162(l)-1. Deduction for health insurance costs of self-employed individuals.

[The text of the proposed amendment to §1.162(l)-1(a) through (c) is the same as the text of §1.162(l)-1T(a) through (c) published elsewhere in this issue of the **Federal Register**].

John Dalrymple

Deputy Commissioner for Services and Enforcement .

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